

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 29-30, 2003

Reference No.: 2.1b.(9)  
Information Item

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Ref: **STIP AMENDMENT 02S-112**

The San Diego Metropolitan Transit Development Board (MTDB) has requested that this proposed State Transportation Improvement Program (STIP) amendment be noticed at the October 2003 California Transportation Commission (Commission) meeting, and be considered for approval in December 2003. This notice is an informational item allowing the Commission to review the proposal, comment and/or ask questions prior to taking formal action in December 2003 or later.

The San Diego MTDB requests the Commission approve a reimbursement project per AB 3090. In August 2002, the Commission allocated \$800,000 in Regional Improvement Program (RIP) funds programmed for the Automated Fare Technology project (PPNO 0978) in FY 2002-03, acknowledging that San Diego MTDB would, upon that allocation, enter into a contract for the entire amount programmed in the 2002 STIP. The project is currently programmed with \$7,000,000 in RIP funds in FY 2003-04, \$11,000,000 in RIP funds in FY 2004-05 and \$1,500,000 in RIP funds in FY 2005-06, for a total of \$19,500,000 in RIP funds. Due to the current STIP funding shortfall, San Diego MTDB has financed the state share for the on-going contracts in order to maintain the current project schedules. To avoid significant impacts on future operating revenues to cover financing costs, San Diego MTDB proposes to replace \$19,500,000 in RIP funds for the Design (PS&E) and Construction with local funds now, with later reimbursement (PPNO 0978A) in FY 2006-07. This is a revenue neutral programming action.

## **RECOMMENDATION:**

The Department of Transportation (Department) recommends that the AB 3090 request be approved pending San Diego MTDB's agreement that both the date and schedule of reimbursement are subject to the availability of funds.

**BACKGROUND:**

This request follows AB 3090 guidelines, which allows a Local Agency to use its own funds (non-state or non-federal) to complete a project component early to be later reimbursed with STIP funds currently programmed on the project. An AB 3090 reimbursement agreement will be drafted and submitted to the Commission staff for review prior to the December 2003 Commission meeting.

Upon the Commission's allocation in August 2002, San Diego MTDB awarded contracts for PS&E and Construction work, obligating the full \$20.3 million programmed in the 2002 STIP. The intent was clear at the time that San Diego MTDB would request future allocations as programmed in the 2002 STIP for the costs of those contracts obligated in FY 2002-03. At the May 2003 Commission meeting, San Diego MTDB requested an advance RIP allocation of \$7,000,000 in FY 2003-04. The project allocation request was placed on the Highway/Rail and Transit Pending Financial Allocation List for future funding consideration.

San Diego MTDB's current debt service for the project financing is covered with local transit revenues through FY 2005-06. However, beginning in FY 2006-07, if STIP funds are not available, it will become necessary to use a significant amount of operating or capital maintenance revenues to cover the debt service. If the retirement of the debt is delayed beyond FY 2006-07, the added interest cost would be \$396,000, and a second year of delay would cost an additional \$194,700 in interest. These costs would also come from future transit operations. By financing the project, MTDB must already plan to absorb in excess of \$3 million in interest from its own resources to keep this project moving forward. For these reasons, San Diego MTDB proposes that the AB3090 request to replace \$19,500,000 in programmed RIP funds with local funds be approved with reimbursement in FY 2006-07.

**RESOLUTION:**

Resolved, that the California Transportation Commission (Commission) revise the 2002 State Transportation Improvement Program (STIP) at the end of the 30-day notice period as follows:

**Revises:**

County	District	PPNO	EA	Element	Const. Year	PM Back	PM Ahead	Route/Corridor					
San Diego	11	0978		MT	2002-03								
Implementing Agency: (by component)	PA&ED	MTDB			PS&E	MTDB/SANDAG	X	AB 3090					
	R/W				CON	MTDB/SANDAG	X	AB 3090					
RTPA/CTC:	San Diego Metropolitan Development Board (MTDB)												
Project Title:	Regional Automated Fare Technology												
Location	Transit services in the North County Transit and MTDB service areas of San Diego												
Description:	Design and procurement and install fare collection system												
(DOLLARS IN THOUSANDS)													
FUND	TOTAL	Project Totals by Fiscal Year						Project Totals by Component					
		Prior	02/03	03/04	04/05	05/06	06/07	R/W	CON	PA&ED	PS&E	R/W Supp	CON Supp
STIP - RIP													
Existing	20,300		800	7,000	11,000	1,500			14,920		5,380		
Change	(19,500)		0	(7,000)	(11,000)	(1,500)			(14,280)		(5,220)		
Proposed	800		800	0	0	0			640		160		
Federal Transit Administration (FTA) Funds													
Existing	11,327		2,401	3,751	5,025	150			8,476		2,851		
Change	0		0	0	0	0			0		0		
Proposed	11,327		2,401	3,751	5,025	150			8,476		2,851		
Federal Transit Administration (FTA) Funds													
Existing	3,777		801	1,251	1,675	50			2,826		951		
Change	0		0	0	0	0			0		0		
Proposed	3,777		801	1,251	1,675	50			2,826		951		
Locally Generated Funds (San Diego MTDB)													
Existing	0			0					0		0		
Change	19,500			19,500					5,250		1,750		
Proposed	19,500			19,500					5,250		1,750		
Total													
Existing	35,404		4,002	12,002	17,700	1,700			26,222		9,182		
Change	0		0	12,500	(11,000)	(1,500)			(9,030)		(3,470)		
Proposed	35,404		4,002	24,502	6,700	200			17,192		5,712		

**And Adds:**

County	District	PPNO	EA	Element	Const. Year	PM Back	PM Ahead	Route/Corridor					
San Diego	11	0978A		LA	2006-07								
Implementing Agency: (by component)		PA&ED R/W				PS&E CON							
RTPA/CTC:		San Diego Metropolitan Development Board (MTDB)											
Project Title:		AB 3090 Reimbursement (Regional Automated Fare Technology)											
Location		AB 3090 Reimbursement											
Description:		AB 3090 Reimbursement											
(DOLLARS IN THOUSANDS)													
FUND	TOTAL	Project Totals by Fiscal Year						Project Totals by Component					
		Prior	02/03	03/04	04/05	05/06	06/07	R/W	CON	PA&ED	PS&E	R/W Supp	CON Supp
STIP - RIP - AB 3090 Reimbursement													
Existing	0						0		0				
Change	19,500						19,500		19,500				
Proposed	19,500						19,500		19,500				
Total													
Existing	0						0		0				
Change	19,500						19,500		19,500				
Proposed	19,500						19,500		19,500				